This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 05 KABUL 000955

STPDTS

NSC FOR ZKHALILZAD, JDWORKEN, HMANN, RHANSON, DSEDNEY DEPT FOR SA/PAB, SA/AR, EUR/WE MANILA PLEASE PASS AMB PSPELTZ USDOC FOR DAS/TD MURPHY AND AFGHAN RECON TASK FORCE STATE PASS USAID FOR JPRYOR STATE PASS TDA FOR DSTEIN AND JSUSSMAN STATE PASS TREASURY FOR U/S TAYLOR, LMCDONALD STATE PASS OPIC FOR RCONNELLY AND DZAHNHEISER

E.O. 12958: DECL: 04/13/2013 TAGS: <u>PREL PGOV ECON EFIN AF</u>

SUBJECT: AMBASSADOR'S APRIL 6 MEETING WITH FRENCH AMBASSADOR

Classified By: AMBASSADOR ROBERT P. FINN FOR REASONS 1.5 (B) AND (D) $\,$

11. (C) Summary: Ambassador held a wide-ranging discussion with French Ambassador, Jean Pierre Guinhut, on April 6. The Ambassadors reviewed Afghan security conditions in the aftermath of Iraqi Freedom, lingering obstacles to economic growth, and progress on the drafting of the Afghan Constitution, and other matters. Highlights included a shared view that security conditions in Afghanistan had not deteriorated markedly since the war in Iraq began, the French Ambassador,s plea that an American economic advisor be added to Karzai,s retinue, and the sharing of preliminary news on the religious aspects of the new Constitution. End summary.

Isolated High-Profile Incidents
But Overall Security Stable

- 12. (C) Ambassador Guinhut had just returned from visits to Jalalabad,) for the inauguration of the Human Rights Commission Office, and Kandahar, to visit with his NGOs. He traveled with the head of the Human Rights Commission, Dr. Sima Samar, as part of an effort to increase his/France,s &international presence.8 Ambassador asked if Guinhut had heard of the recent murder of Karzai associate, Haji Gilani, on April 5. Guinhut responded that the killing appeared to result from a family quarrel rather than any general security breakdown, to which Ambassador concurred.
- 13. (C) International assistance agency and NGO workers were still alarmed at the recent killing of ICRC employee, Ricardo Munguia, on March 27. Ambassador cautioned that UN SRSG Brahimi called the ICRC killing a &qualitative change8 from earlier violence, and that a few more such attacks and all the NGOs would quit Afghanistan. Guinhut noted that French NGO workers in most of Afghanistan were ¬ feeling threatened but remain cautious8. Meanwhile, Kandahar-based NGOs were &very fearful8 and added that southern areas were very unstable.
- 14. (C) Ambassador noted that security forces based in Kandahar were weak and inactive, adding that President Karzai had told him that hostile forces could overrun Kandahar &in a day8 if U.S. forces depart. Guinhut was surprised that Karzai would put things so starkly, but added that the Swiss Ambassador had told him that Pakistan-based extremists were openly infiltrating Afghanistan from Quetta, where the GOP did not even bother to cover up these operations. Ambassador added that when the Dutch Ambassador told the Kandahar Police Chief about this infiltration, the Chief agreed to follow up) if only he could be provided names and addresses of the suspects.
- 15. (C) Despite these incidents and trends, both agreed that general security conditions had not eroded in any systematic way after the start of U.S. operations in Iraq. Guinhut summed up his view as &it is as bad as usual in the South and not much worse elsewhere8. The Ambassador noted one area of continued concern, though, was Ismail Khan,s renewed call for Islamic Jihad against foreigners and the recent beating and expulsion of an Afghan Radio Liberty stringer) whom Ismail Khan termed &a spy for the infidels8 for reporting human rights violations in Herat. Dostum, meanwhile, was dabbling in a &federalist8 plan for Afghanistan, said Guinhut. Nonetheless, he pledged his strong support to the central government during a recent meeting with Guinhut in Mazar. Ambassador replied that federalism was neither a popular nor a feasible option for the country.

Progress on Constitutional Commission, Carcassone Visit Constitutional Commission,s work. Guinhut noted that French constitutional scholar, Guy Carcassone, was arriving on April 7 for a two-week stay to advise the Commission and meet with interested parties. Guinhut noted that Carcassone has written 25 Constitutions to date, and that his assistance could greatly advance the effort. Ambassador noted that he would like to see Carcassone, and later added that since SE Khalilzad would be arriving shortly perhaps a larger meeting would be appropriate.

- 17. (C) Guinhut shared with Ambassador information he qualified as rumor) as VP Shahrani, the head of the Constitutional Commission had not actually disclosed such information yet) that the new Constitution would call for an elected President, a Prime Minister selected from the parliament, and two legislative chambers, and that the King was not mentioned. Ambassador added that he had heard that Islam would be designated the state religion, but without a sect being specified. He and others he had spoken to wonder why Islam needed to be mentioned at all. Guinhut replied that the 1964 Constitution had struck a balance between Islam and the Monarchy to avoid too much power devolving to either. French jurist Carcassone reportedly favored a constitutional monarchy, Guinhut said, but Karzai reportedly opposed this idea and wants a more modern model. Furthermore, Ambassador added, former king Zahir Shah did not want to be king and knew no one in his family was qualified to do so.
- 18. (C) Comment: Ambassador met with Carcassone April 8 at a lunch for the EU Ambassador hosted by the French Ambassador. Carcassone confirmed his view that the King should serve as constitutional monarch and said the Afghans were pushing for a Prime Minister. Ambassador said both were bad ideas and Afghanistan needed a strong President given all the vectors of power. Carcassone said the U.S. system worked only because of compromises and a prime ministerial system would be better for Afghanistan. Ambassador demurred, saying it would only lead to endless crises of power. End Comment.

Guinhut Pleads for Appointment of American Economic Advisor

- 19. (C) The conversation turned to Karzai,s commitment to making needed Cabinet changes to the large and unwieldy government. Guinhut saw the lack of a Minister of Economy as a problem. Ghani was trying to do the job, and was the best possible Finance Minister, but he was &no economists. Guinhut recommended that the USG appoint a qualified economic advisor to Karzai, at least until the Presidential election. This advisor could lay out stages and options for economic growth and should carry sufficient credentials to resist interference from Ghani. Guinhut expressed his strong preference for an American advisor (he had already tried unsuccessfully to recruit a French advisor) rather than an Afghan or Afghan expatriate.
- $\underline{\P}$ 10. (C) Guinhut then commenced a now familiar litany regarding the negative attributes of Ghani,s effective control of Afghan economic policy. Guinhut said that Ghani and others &gave the impression they were economic liberals, but they are not.8 Guinhut offered the investment law as illustration of his point, saying it was &made for traders, not for investors8 due to its investment-limiting tax provisions. Guinhut disagreed with Ghani,s purported view that economic renewal could come through trade. must create jobs, and money is needed from the budget to facilitate job creation. Ambassador said that the TISA was not there yet, and was actually driving away investors with some of its policies. Guinhut agreed, noting that taxes on investment were &a complete mistake8. Guinhut also expressed surprise that Afghanistan had still not appointed an Ambassador to the UAE, which Guinhut regarded as a potentially huge investor in Afghan reconstruction. The Ambassador doubted that Afghan Cabinet officials knew what to do to spur the economic growth Guinhut described, but Afghans may also chafe at a foreign advisor having such extensive control over the Afghan economy. Guinhut feels that without such radical intervention, the whole Afghan reconstruction program will fail completely and &we8 (major donors) will &lose all our money.8
- 111. (C) Comment: The French Ambassador,s points on economic matters closely track Embassy reporting of the past few months. Afghanistan needs someone: first, to generate ideas for economic growth; second, to promote international investment; third, to coordinate funding to finance projects; fourth, to carry through on projects begun; and fifth, to tenaciously finalize projects by removing stubborn obstacles. It may be difficult to find any one individual who can do all five things. Ghani is excellent at the first, results have been mixed but improving with the third, and he has largely failed with the second and latter two items. Guinhut,s provocative points corroborate opinions expressed through much of the Cabinet and virtually all of the business

community. While his view may exaggerate the gravity of the situation, it is possible that the right advisor, who could bring rapid and visible results, would boost Karzai,s and TISA legitimacy enough to dispel concerns about foreign influence. End Comment.

FINN